



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



FILE COPY

DARLENE GREEN
Comptroller

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DR. KENNETH M. STONE, CPA
Internal Audit Executive

November 16, 2009

Darryl Commings, Director of Finance
Better Family Life, Inc.
724 North Union, Ste. 301
St. Louis, MO 63108

RE: Workforce Investment Act (WIA) and Temporary Assistance for Needy Families
(TANF) (Project #2009-SLATE8)

Dear Mr. Commings:

Enclosed is a report of the fiscal monitoring review of Better Family Life, Inc., WIA and TANF Programs, for the period July 1, 2008 through February 28, 2009. The scope of a fiscal monitoring review is less than an audit and, as such, we do not express an opinion on the financial operations of Better Family Life, Inc. Fieldwork was completed on July 31, 2009.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*, and through an agreement with the St. Louis Agency on Training and Employment (SLATE) to provide fiscal monitoring to all grant sub-recipients.

If you have any questions, please contact the Internal Audit Section at (314) 622-4723.

Sincerely,

Dr. Kenneth M. Stone, CPA
Internal Audit Executive

Enclosure

cc: Michael K. Holmes, Executive Director - SLATE
Kim Neske, Fiscal Manager - SLATE

CITY OF ST. LOUIS CITY OF ST. LOUIS

**ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT (SLATE)
WORKFORCE INVESTMENT ACT (WIA)
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)**

**BETTER FAMILY LIFE
CONTRACT #231-09, #234-08, #234-09, AND #660-09
CFDA #17.258, #17.259, AND #93.558**

FISCAL MONITORING REVIEW

JULY 1, 2008 THROUGH FEBRUARY 28, 2009

PROJECT #2009-SLATE8

DATE ISSUED: NOVEMBER 16, 2009

**Prepared by:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

CITY OF ST. LOUIS
ST. LOUIS AGENCY FOR TRAINING AND EMPLOYMENT (SLATE)
WORKFORCE INVESTMENT ACT (WIA)
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)
BETTER FAMILY LIFE, INC.
FISCAL MONITORING REVIEW
JULY 1, 2008 THROUGH FEBRUARY 28, 2009

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INTRODUCTION

Background

Contract Name: Better Family Life, Inc.

Contract Numbers: 231-09, 234-08, 234-09, 660-09

CFDA Numbers: 17.258 (#231-09)
17.259 (#231-09, #234-08, #234-09)
93.558 (#660-09)

Contract Periods: 07/01/07 to 06/30/08 (#234-08)
07/01/08 to 06/30/09 (#231-09, #234-09, #660-09)

Contract Amounts: \$322,197.12 (#231-09)
\$150,000.00 (#234-08)
\$225,230.81 (#234-09)
\$2,437,372.50 (#660-09)

These contracts provided Workforce Investment Act (WIA) and Temporary Assistance for Needy Families (TANF) funds to Better Family Life, Inc. (Agency) for its Project Youth Passport to the Future Education and Employment, St. Louis Property Maintenance/Urban Gardening, and Career Assistance Programs. These programs provide case management, career training, employment placement, and retention monitoring services to eligible participants.

Purpose

The purpose of the review was to determine the Agency's compliance with federal, state and local St. Louis Agency on Training and Employment (SLATE) requirements, for the period July 1, 2008 through November 30, 2008, and make recommendations for improvements, as considered necessary.

Scope and Methodology

Inquiries was made regarding the Agency's internal controls, relating to the grants administered by the SLATE. Evidence was tested supporting the reports that the Agency submitted to SLATE, and other procedures were performed, as considered necessary. Fieldwork was completed on July 31, 2009.

Exit Conference

An exit conference was offered the opportunity for an exit conference, but had declined.

Management's Responses

None needed.

SUMMARY OF OBSERVATIONS

Conclusion

The Agency did not fully comply with federal, state, and local SLATE requirements.

Status of Prior Observations

The Agency's previous fiscal monitoring report, Project #2008-SLATE11, issued January 9, 2009, contained two observations:

1. Questioned payroll costs (**Repeated, see current observation below**)
2. Inadequate expenditure documentation (**Resolved**)

A-133 Status

The Agency expended \$500,000 or more in federal funds for the year ended December 31, 2007; therefore, it was required to have a single audit in accordance with OMB Circular A-133.

The A-133 report was dated May 30, 2008, and rendered unqualified opinions on the general-purpose financial statement and on compliance with requirements applicable to major federal awards. There were no material weaknesses or reportable conditions. The Agency qualified as a low-risk auditee.

Summary of Current Observations

A recommendation for the following observation was made, which, if implemented, could assist the Agency in complying with federal, state, and local SLATE requirements:

- Opportunity to pay back questioned payroll costs of \$1,798.44 (**Repeated**)

**DETAILED OBSERVATIONS, RECOMMENDATIONS
AND MANAGEMENT'S RESPONSES**

Opportunity To Pay Back Questioned Payroll Costs of \$1,798.44 (Repeated)

The Agency's prior fiscal monitoring report, dated January 9, 2009, required the Agency to pay back to SLATE a questioned cost of \$1,798.44, for exceeding the grant contract's payroll budget. In its management's response, received on December 29, 2008, the Agency had indicated that it would pay back the questioned amount. However, as of the end of the fieldwork date of the current fiscal monitoring review, the Agency has not paid back the questioned amount.

According to OMB Circular A-133, the auditee is responsible for follow-up and corrective action on audit observations.

The Agency did not have adequate internal controls in place for follow-up and corrective action on audit observations.

Non-compliance with the OMB Circular A-133 requirements may result in the suspension or termination of federal funding.

Recommendation

It is recommended that the Agency follow up on the prior audit observation concerning exceeding the grant's payroll budget and pay back the questioned amount of \$1,798.44 to SLATE.

Management's Response

Not Applicable.

Auditor's Comment

The Agency had hand delivered a check to IAS, payable to the City for 1,798.44 on November 13, 2009; therefore, this observation is considered resolved.